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THE VEREIN FÜR SOZIALPOLITIK.

ON the 13th of November of the year just passed, the Chancellor of the German Empire and President of the Prussian Ministry, Herr von Caprivi, laid before the Prussian legislature five important bills, relating to the income tax, the taxation of legacies and inheritances, the elementary public schools, the communal finances, and communal administration in the seven eastern provinces of Prussia. In the address presenting these bills, which was received with cordial applause by all parties, he explained the general principles which the government had had in mind in preparing them, and added the following significant words: "These being the principles of the proposed legislation, I am of the opinion that, in a time when the social question takes so prominent a position, when we are confronted with such difficult problems relating to the social order, every step of the government and of the legislature must be tested by asking, How will it work in relation to social reform?" In these words the leading statesman of Germany admitted that in our day no policy is conceivable in Germany which is not also a social policy. Public finance or public education, the organization of local self-government or the attitude of Church to State,—there is no field in our public life, be it ever so remote, which does not come into touch with the dominant question, How does it bear on social reform?

This social reform, which confronts us at every step, is not a clearly defined thing. It has a thousand forms, varying with the particular phase with which we happen for the moment to be concerned. In economic legislation and administration it takes different shape from that which appears in questions of education and of public welfare. It is not the same when we undertake to remodel local government as it is when we regulate the religious orders; but it is present everywhere. It is not the programme of a single political party: it is the principle underlying an historical development which includes the whole social body.

The historical development may be described, in general terms, as the movement of the lower strata of the population upward to a higher stage of culture. The movement is social reform, if it rests on the foundations of the present organization of society, individual freedom and private property, and if it is carried on by measures of the State or of individuals working consciously with the intent of promoting it. In so far as it shakes the foundations of present society, and so the entire civilization of our day, it is social revolution. Inevitably, so wide a movement takes different shapes in different hands, and therefore finds very different expression in the programmes of the various political parties. But, on the whole, the parties are already divided into two great groups, according to their choice of one or the other of the two directions just designated. And the important question in Germany now is, not whether the voters are liberal or conservative, free-minded or ultramontane, but whether they vote for the party of social reform or for that of social revolution; that is, for the Social Democracy.

Let it be said at once, to prevent possible misunderstanding, that we must not confound the Social Democracy with a party of violent revolutionists, although doubtless the movement does bring some danger of a bloody uprising. The Social Democracy receives its distinctive revolutionary character from its outspoken intention of bringing about a complete overturn of the existing social order; or, better, from its fundamental principle that nothing less than a complete overturn of all existing laws and of all existing economic forms can make the condition of the laboring classes satisfactory. The great danger from Social Democracy is in its dissemination of this conviction, to which it clings as to a religion; for thereby hundreds of thousands are brought to believe that a gulf exists between them and the property-owning classes of our day, which can be bridged by no other measures, however well meant. Head and heart are thus turned away from the efforts at social reforms. But such reforms can be effective only so far as they are taken up and promoted by their beneficiaries. Their success therefore must be rendered doubtful by the attitude of the Social Democrats. This state of things,

however, brings the greater pressure to bear on those who would maintain the present foundations of society. It spurs them, on the one hand, to prevent the growth of Social Democracy, on the other hand, to deprive the revolutionary movement of its chief weapon of attack. Both results can be obtained from the introduction and execution by society and State of measures which shall secure to the propertyless classes a consciousness that their elevation can continue within the present organization. The problem is not merely to recognize the kernel of truth in the demands of Social Democracy, but also to carry this truth into practical operation, and to do so with the aid of the Social Democrats themselves, in order to bring them to a common political and ethical faith.

The social policy of Germany is, therefore, of the utmost importance,—not only for itself, but because in the issue of the conflict here there is some indication of the outcome of the struggle between social reform and social revolution in every advanced industrial community. It may therefore be permitted me to call attention to a society in which the men of science and the men of practical affairs in Germany have been united for nearly two decades for the dissemination of earnest thought upon social policy. The “*Verein für Sozialpolitik*” proves by an admirable example that science, without abandoning its high position above all parties, without descending to the level of the conflicts of every-day life, can yet exert its influence on them. The consciousness of the necessity of social reforms existed in the Verein long before any policy in this direction could be thought of. Opinions which twenty years ago were condemned as heretical, and brought upon the founders of the association no small degree of odium, are now publicly expressed by the Chancellor of the Empire with the approbation of all parties,—a striking proof that even in politics, the art in which above all others it is supposed that nothing can be taught, science makes possible a wise prevision of the future.

Public opinion in Germany on economic questions was controlled until the close of the sixties by an association of liberal economists and statesmen, formed in the year 1858, the

“Volkswirthschaftlicher Kongress.” This association deserves no small praise for its aid in bringing about economic legislation fitted to the conditions of modern times. Its leaders were national statesmen and enthusiastic free traders, who longed for nothing so earnestly as that Germany should follow the brilliant example of England, and should lay the foundations for its material prosperity by establishing one single and united economic territory, having free trade within and without. When they formed their association, the need of the time was on their side. At that date free movement from place to place [*Freizügigkeit*] was restricted in Germany. In many states decayed guild associations, remnants of the feudal dues from land, ill-regulated concession of corporate franchises, bureaucratic regulation of prices and wages, checked the growth of industry. Free trade within Germany had to be extorted slowly from the particularist interests, and the danger of a victory by the extreme protectionists made necessary a constant watch on the Zollverein. The opinions which were expressed at the yearly meetings of the association had, until the end of the sixties, few enlightened opponents. Such opponents as there were stood apart from the real life of the nation. The association did not concern itself with the labor question and the dangers that lay in it; but, then, this question played no part in public opinion at large. Even Lassalle’s brilliant agitation brought no change in this regard, especially as he left behind him at his death, in August, 1864, an organized workingmen’s party, numbering but a few thousand members.

In the course of the decade from 1860 to 1870, and especially after the foundation of the North German Federation, the aims of the Congress were rapidly attained. Free movement within Germany was granted. The policy of the Zollverein was distinctly in the direction of free trade. Usury laws and imprisonment for debt disappeared. Weights and measures were put upon a uniform basis, the post-office policy was made more liberal, limitations upon marriage were removed, tolls on the rivers were abolished. The code of legislation on industry [*Gewerbeordnung*] rested on the principle of freedom. The practice of granting concessions to corporations fell into disuse. The result was that the party of economic individualism

took a different attitude. Of necessity, it had to content itself with holding fast to what had been gained, with bringing about some minor extensions, and preventing any reaction to the old system of paternalism and class legislation. Several well-known members of the association were members of the government of the new German Empire, and thereby the rule of the individualistic system was practically assured.

For some time, however, an opposition had existed. Certain younger professors of political economy had begun to develop various germs, already present in the thought of the older generation of German economists.

The first step was to establish a different attitude in the conception of the science and in the proof of its fundamental propositions. For the individualistic policy, the scientific foundation had remained as it was left by Adam Smith. To this they assumed, in many ways, a hostile attitude. One of the founders of the new school, Adolf Held, stated the divergence from the prevailing opinions in the following words : * —

The new school demands a complete abandonment of the endeavor to set up natural laws of universal application, and with it an abandonment, as far as possible, of that mode of investigation which reasons by deduction from more or less rigid premises. It demands realistic political economy,—that economic investigation shall rest, as far as possible, upon historical and statistical material. It demands, above all, the abandonment of the premise that man in his economic action is influenced only by egoism : it denies the proposition that man should be influenced only by selfish motives in all his opinions, and that thereby the general good would be most effectively promoted. On the contrary, it asserts that public spirit always is active, side by side with the egoistic motives, and always should be so active ; it demands ethical political economy. It demands that the economic man shall be considered as member of an organized society. It rejects the assumption of any natural laws of universal validity, and asserts that the existing system of law, as a whole and in its details, must be considered as a factor of the highest importance in the explanation of economic phenomena. In other words, it demands a conception of the science which includes social policy, and pays due regard to the historical and legal factors.

These differences with regard to method would not of themselves have caused any opposition to the Economic Congress, since the latter was concerned only with practical questions.

* In the *Jahrbuch für Gesetzgebung*, 1877, p. 164.

But the new school went further, and began to draw its conclusions as to economic policy. A greater degree of government interference was called for,—not indeed a return to the older forms of interference, yet interference in many cases in which it was supposed to have disappeared for good. To come to particulars, public intervention was called for to promote the closer organization of industry, by trade corporations, trades-unions, boards of mediation and arbitration. Above all, it was demanded that the State should give more attention to the neglected interests of the laborers, to which the new school gave its full sympathy. In this general movement the opinions of individuals were by no means harmonious; and a strong need was therefore felt for an assembly where a free exchange of thought might take place, in which practical questions might be considered from the point of view held in common by all, and by which some influence might be exerted on public opinion, such as the Congress had exerted in its time.

Meanwhile, the march of events had prepared the public for the spread of reformatory ideas. The feverish development of industry in the years immediately following 1871, with its many evil effects, made it clear to impartial minds that freedom in industry alone would not bring the advantages of a real equilibrium in material prosperity. Notwithstanding the national enthusiasm, which permeated all classes and might be expected to bring them nearer together, the agitation among the workmen was growing. Wide-spread strikes, and an open attitude of hostility by firmly organized groups of workmen, frightened the timid and aroused among the more clear-headed an even deeper anxiety. In 1867, at the elections of the North German Federation, the Social Democrats had polled only forty thousand votes. In 1871, at the election for the Reichstag which was to frame the new constitution, they polled one hundred and fifty thousand. So little had the feeling of national greatness and unity affected this party that in October, 1871, hardly a year after the intoxicating victories, unexampled in the history of the world, by which the German people had met a war criminally forced upon it, Liebknecht was able to say: * —

*In an address delivered October 22, 1871, at the inaugural meeting of the Volksverein at Crimmitzschau.

Murder remains murder, even if the murderer and his victim speak different tongues and wear gay uniforms. Murder is a crime, and does not cease to be a crime when committed on a gigantic scale. . . . The word Fatherland, which you repeat to us so often, speaks from a point of view which we have left behind, one that looks backward and not forward, and is hostile to civilization. Humanity cannot be imprisoned within national boundaries. What you call the Fatherland is for us but a site of misery, a prison, a hunting-ground in which we are the hunted game, and in which many a one of us knows not where he can lay his head.

Liebknecht was right — right, to be sure, in a different sense from that which he had in mind — when he said, in another passage of the same address, “Two worlds stand opposed to each other, two worlds with opposite ends and aims, with opposite opinions, nay, with different languages.” In the edifice of the new German Empire there was a great rent from the very beginning. It was not so clearly visible as had been the gaps which the old petty-state system made in the Empire of former days; but it went to the very foundations of the nation. Like the old cleft between the Protestants and Catholics, it was not geographical: it cut a section through the community, and threatened dangers not to be foreseen.

To meet these dangers, to unite once more the separated parts, was the task which confronted State and society. By far the most important of the measures needed were those in the economic field. The position of the laboring classes must be scanned, the facts clearly ascertained, legislation in many directions amended. The principle of letting things take their own course must be abandoned almost as soon as adopted. In such a task the old Economic Congress would take no part. Legislation for protecting the workman was as odious to it as legislation for protecting industry. There was no prospect that the representatives of the new social policy would get a hearing in the old association. A new union was therefore formed. The first step for bringing together the professors, government officials, publicists, journalists, of all shades of opinion, but united in their opposition to the Manchester school, was taken at a meeting held in the middle of June, 1872, at the house of Gustav Schmoller, then professor in Halle. Among professors of political economy, besides

Schmoller, there were present Roscher of Leipzig, Bruno Hildebrand of Jena, Adolf Wagner of Berlin, Knapp, then of Leipzig, Brentano, then of Breslau, Mithoff of Göttingen, Conrad of Halle; in addition, the head of the Prussian Statistical Bureau, Engel, and Julius Eckardt, editor of the Hamburg *Korrespondent*. It was agreed to call a meeting in the following October, for the discussion of the social question, to which about a hundred persons of the most varied positions in society were invited. In the call, it was said that the future of the German Empire—nay, the very future of our civilization—could not but be influenced by the development of the social situation in the years immediately before us; while the direction of this development must inevitably be affected by the attitude of the men of education and property, of the public, the press, and the government. It was hoped that the coming meeting would lead to some union of opinions now diverging, and to some common understanding at least in regard to the most burning among the social questions. That there might be specific purpose and point to the debates, certain of the more important current questions were selected, and a discussion promised on factory legislation by Brentano, on strikes and trades-unions by Schmoller, and on the housing of workmen by Engel.

The meeting, accordingly, was held on the 6th and 7th of October, 1872, at Eisenach. The opening address was given by Professor Schmoller. It was not an easy task to find some fundamental principle which should be accepted by all the various elements represented at the meeting, from the moderate socialists to the extreme conservatives. But a common basis was found by emphasizing the need that the State, and society as a whole, and every individual who would take part in solving the problems of the time, must be actuated by some high ideal. "And the ideal can be no other than that a constantly increasing portion of our people shall share in the great possessions of civilization, in culture and material welfare. This must be, in the best sense of the word, the democratic aim of our development,—nay, we may call it the great aim and end of the history of the world." But such an end cannot be attained by the uncontrolled struggle of class

against class and individual against individual, nor by the power of an all-embracing and all-controlling State. The State must be the regulator and moderator of the contending industrial classes, "the greatest moral institution for the education of human kind." Therefore, the State must have strength and power. Standing above the selfish interests of classes, it must enact laws, direct the community with a just hand, protect the weak, raise the humble. No abolition of freedom in industry, no discarding of the relation of employer to employed, could be expected; but as little the silent endurance, for consistency with any *doctrinaire* principle, of crying evils. From this point of view, the existing situation called imperatively for such steps as a careful but firm system of factory legislation, complete freedom for the workman in his contract with his employer, factory inspection, supervision of banking and of insurance, better dwellings for the poor, public investigations on the social question. The spirit of this address pervaded the discussions and the conclusions which were finally reached. Among the measures the need of which was admitted by all were public *enquêtes* on factory legislation, extension of such legislation for the further protection of children and minors, complete recognition of the right of combination among workmen, legal recognition of trades-unions and of their benefit funds, and the establishment of courts of conciliation and arbitration.

The meeting at once attracted no small amount of attention throughout Germany. Moderate in form and tone, but with a firm spirit, the young scholars insisted upon the necessity of a new departure in domestic policy. And they did this, not by entering into the political arena and forming a party of their own, but by considering soberly and impartially a series of important practical questions, and calling attention to the great moral ideal by which the reform must be directed. The socialists of the chair, as they have been called (a name which, as Held remarked, implied that lack of courage alone prevented them from becoming radicals like Bebel and Liebknecht), had urged conclusions which paved the way to a new mode of considering the labor movement. Public opinion, in so far as it was prepared at all for the consideration of social reforms, could not but be strengthened.

There was a natural desire to continue these reunions, and to find, if possible, some more permanent mode of bringing together those who agreed in their views on social policy. A committee was appointed to prepare for another meeting in the following year, and was instructed also to frame a constitution for a "Verein für Sozialpolitik." The constitution prepared by them was accepted at the next meeting, and in its essential features stands at present. Membership is open to any one on payment of the yearly sum of ten marks, or of three hundred marks for life membership. The conduct of affairs is in the hands of a committee elected at the general meeting. The committee consists of twenty-four members, who remain in office until replaced by others annually elected. Every year one-third of the number retire, but are eligible for re-election,—an arrangement which secures unity and continuity in policy. As the Verein is concerned, above all, with the constantly shifting questions of the day, it was considered desirable, notwithstanding the considerable numbers of the executive committee, to leave a wide discretion; and the committee is therefore empowered to add to its number other members, who remain in office until the following general meeting. Provision is thus made for a constant freshening of the active forces, and any one-sidedness in prosecuting the aims of the Verein is avoided. Current business is attended to by a chairman, a secretary, and a treasurer, elected by the executive committee. It need hardly be said that all the offices are honorary and are without pay. The payments of the members are a low charge for the very valuable publications which they receive from the Verein.

The most important business of the executive committee is the preparation for the annual meeting. It must determine the time, place, and topics. It must secure a thorough discussion of the various questions which are to come before the meeting, by appointing writers to report upon special topics, and securing, if possible, the preparation of printed reports. These duties often call for much time and labor, and usually begin long before the meeting itself. The meetings are held, as a rule, once in two years. It is not always possible to determine in advance what questions will prove to be of real

importance. The principle is firmly maintained that discussion shall be confined to topics for which the members are prepared by a previous exposition of the facts or critical and scientific investigation. It is therefore the duty of the committee to make sure that material of scientific quality shall be presented to the Verein on a variety of questions. When the time for the meeting comes, those questions are selected which for the moment are of the greatest importance. As the Verein is in no sense a party, great stress is laid on the need of hearing well-grounded opinions from every possible source. The only principle insisted on is that of scientific method, and the object is to attain, not practical conclusions, but enlightenment.

In this way, the Verein has undoubtedly contributed much towards bringing about a change in our economic policy. The debates at its meetings are prepared in advance, and are therefore thorough, the members having had for several months in advance abundant scientific materials on the questions which appear on the programme. This mode of procedure does not promote any brilliant public display. Moreover, in the absence of a special vote, only members can take part in the debates. The meetings have therefore missed some advantages, such as are enjoyed by associations with a freer and lighter method, which meet every year at a different place, consider a great variety of questions without being burdened by the need of voluminous preparatory reports, permit changes in their programme at the last moment, and give the privilege of membership to any one who may choose to take part in the meeting of the year. The meetings of the old Economic Congress were of this latter sort, which undoubtedly have advantages of their own. They are more lively, larger numbers take part in them, and their immediate effect on public opinion is greater. On the other hand, the Verein, in its volumes of reports and in its printed proceedings, offers material which permanently enriches science, and exercises an influence which, though slow, is permanent.

The organization of the Verein obviously brings the scholarly element to the front; and the chairmanship has always been in the hands of professors,—first, Gneist of Berlin, then

Nasse of Bonn, now Schmoller of Berlin. But it would be a mistake to regard it as a meeting of scholars only, who discuss in academic fashion the questions of the day. As I have already said, importance has always been attached to a representation of varied interests; and the Verein has always been fortunate in securing the membership and attendance of manufacturers, land proprietors, officials of the State and of the local bodies. They have equal representation with the professors in the executive committee, and therefore bring their influence to bear on the selection and preparation of the topics for discussion.

Until 1879, when the tariff question came up, it had been the custom to take a vote expressing the sense of the meetings, not, indeed, on questions of detail, but on general principles. The practice had advantages. It stimulated members, in view of the coming vote, to listen with attention to the debates. It made possible a sharper expression of the wishes of the Verein, and contributed effectively to its influence upon public opinion, which cannot follow long discourses as readily as brief and pregnant propositions. But in 1879 the practice of voting was given up, its place being taken by a *résumé* on the part of the chairman, which presents in outline the course of the discussions. The value of votes taken by an irresponsible assembly, the composition of which is not a little influenced by accident, is certainly doubtful. The conclusion reached by the majority goes to the public as an expression of the opinion of the association as a whole, and is paraded and utilized by the party which it favors. Such a result is natural, indeed inevitable, with any association whose avowed object it is to further some special interest. But in a scientific meeting the weight of reason rather than the number of votes is important. As the questions considered by the Verein lost their academic character and assumed the form of specific proposals for legislation, important practical interests came to be concerned with them. The danger then arose that these interests would take an active part in the Verein in order to secure votes favorable to themselves, and that votes so influenced would be presented to the public as the deliberate conclusions of science. This danger appeared for the first time in practical form when

the tariff question came up. For the future it has been avoided by putting an end to voting. Thereby the Verein has become still further removed from the political life and immediate interests of the day; but it has gained in the greater certainty of maintaining its character as an impartial and unbiassed body.

At the beginning, an attempt was made to keep the Verein somewhat in touch with the older Congress. Individual members of the latter have always taken part in its deliberations, and there was a time when invitations for joint meetings were extended; but gradually it appeared, for various reasons, that joint action was impossible. The Congress lost its importance. Public opinion turned away from it at the close of the seventies, and the government followed public opinion. That the ideas of the Verein had begun to have their effect in government circles appeared as early as 1875, when Prince Bismarck said, half in joke, to Professor Schmoller, "The fact is, I am a socialist of the chair myself, only I have no time for that sort of thing."* As time went on, the change became noticeable in practical affairs. In 1878, a beginning was made, in modifying the industrial code. In 1879, a change of tariff policy followed. Although many members of the Verein stood on the side of free trade, there can be no doubt that the protective policy was adopted by the imperial government as a means for promoting social measures. The steady development of government ownership of railways in Prussia, the attention given to improving the condition of the peasantry and especially to creating inalienable peasant proprietorship, were further indications of the drift away from individualistic policy. On the 17th of November, 1881, came the message of the Emperor promising universal compulsory insurance against accident, infirmity, and old age. In the years following, the entire strength of the legislative body was devoted to carrying out the plans there outlined.

These measures for a time put aside others to which the Verein had first given attention,—the *enquêtes* on the social question, and measures for giving to the workman complete

* Schmoller's *Zur Sozial und Gewerbepolitik der Gegenwart* (1890), p. 465.

freedom in the arrangement of his contract with the employer. Nevertheless, much good was accomplished in the direction which legislation actually took. Shortly after the elaboration of the last step in it, by the bill for insurance against infirmity, Emperor William I. died, his successor soon followed him to the grave, and William II. succeeded. However expectations might differ in regard to the new ruler, no one doubted that he would carry out and extend the social legislation of his venerable grandfather. But what means would he adopt? It was possible that in the excess of youthful force and of imperial will he should put upon himself and upon the State burdens impossible to bear. The answer came in the imperial address of the 27th of November, 1888: "I do not flatter myself with any hope that legislation can do away entirely with the troubles of the day, or remove misery from the world; but I believe it to be the duty of government to work its best for the amelioration of pressing evils." The advocates of a social policy found in this language the certainty that their proposals would receive mighty support from the young Emperor. A more direct impulse to the active prosecution of social reforms was given by the Emperor's rescripts of the 4th of June, 1890.

The first effects of these rescripts have been seen in the international conference, and in the presentation of a bill in the Reichstag for the protection of workmen. We are now fairly launched in the full current of a social policy. Some tell us that we are drifting to a shoreless ocean; others, that we are sailing to the land of social peace. Whatever be the differences of opinion, the fact is there; and the "Verein für Sozialpolitik" is justified in regarding it with satisfaction. In the ten meetings which have been held since its first discussion of the social questions, every reform which has since moved Germany has been considered by it, and not a few have been brought to the stage of specific proposals for legislation. In the meeting immediately following the first, in 1873, factory legislation and courts of arbitration and legislation were discussed. The demand for inquiries on the condition of the working classes, and for measures protecting them, was repeated. Some members of the Verein, in anticipation of a future which then

seemed far distant, went so far as to say that these inquiries should be extended to the household industries and to the condition of the agricultural laborers. Under the influence of Brentano and of Max Hirsch, the well-known promoter of the German trades-unions, an act was demanded by which courts of arbitration, with voluntary membership, should be given the power of enforcing their decisions by law. To secure the adhesion of the workmen to this measure, it was suggested that the legal recognition of the trades-unions should be subject to the condition that they joined these courts of arbitration. The Verein has not succeeded in bringing its recommendations to fruition on these matters; but in another point, the reform of the law relating to corporations, it achieved marked success. On the one hand, the field for the activity of corporations was restricted by the extension of the functions of the State and of municipalities to the management of railways, gas-works, and water-works. On the other hand, the regulation of corporations was made more strict by the act of the 18th of July, 1884.

In 1874, breach of contract by workmen was among the topics discussed, and its criminal punishment was successfully opposed. Another topic was that of insurance in case of infirmity and old age, and, indeed, the whole subject of benefit societies. The debates of the Reichstag, in the decade following, as to the relative merits of compulsory insurance on the one hand, and of voluntary insurance under conditions imposed by the State on the other hand, were here anticipated. The Verein rejected the principle of compulsory insurance; and in the two years following its discussion laws were enacted on the principle approved by it,—regulation of insurance by the State. In 1875, the Verein discussed the income tax, and the problem of apprenticeship in trade and manufactories. On the former question, the movement has been towards a system of progressive income taxes, supplemented by taxes on property; and the changes in taxation during the ten years following, in the various German states, have followed these lines. The discussion of apprenticeship led back to the whole question of the reform of the legislative code on trade and manufactures, which was fully discussed in

1877. The demands here made were for the organization both of workmen and of employers in unions and in boards of arbitration, the regulation and inspection of factories, and technical education for apprentices. But upon the most important point, that relating to the trades-unions and the revision of the labor contract, the efforts of the Verein encountered the unconquerable opposition of Prince Bismarck. The industrial code was repeatedly amended in 1878 and the years following, and a great system of compulsory insurance was set up; but, on the other hand, a tendency toward strict and unbending regulation of industry by the State became more and more prominent, to which a majority of the members of the Verein were by no means prepared to give their approval. Other questions also discussed in 1877 were the reform of local taxation, and the commercial treaty between Germany and Austria. In 1879, another question, connected with the last mentioned, came up,—the new tariff policy, on the principle of which, as has already been noted, the Verein came to no expression of opinion. As Nasse pointed out, in his opening address of that year, no one denied that the State had the right, by means of customs duties, to take from one man and to give to another, and so to exercise a distinct influence upon the distribution of the national income; but the measure could be justified only by a clear preponderance of advantage for the general welfare. Held, Nasse, Miaskowski, Schönberg, men who favored far-reaching measures of social reform, then expressed themselves as opposed to the sudden change to a protective system.

In the years following, the Verein brought out further publications on the question of trades-unions, and then turned, with greater energy than ever, to the question of land reform. In 1882, the distribution of landed property and the taxation of inheritances were considered: with them, international factory legislation, and the bearing of compulsory insurance on the organization of the poor law. In 1884, measures for maintaining peasant proprietorship were discussed; in 1886, the housing of the poor in great cities; in 1888, usury in the agricultural districts, mortgages on land, and the organization of agricultural credit.

In 1890, the Verein once more entered on the discussion of current questions by taking up local government in the agricultural districts of Prussia, and the questions connected with strikes and the labor contract. In regard to the first subject, the recent speech of the Prussian minister makes it probable that a reform will be brought about at an early date. The second subject had already been touched by the imperial rescript of the 4th of February, 1890, and by the bill, already referred to, for the protection of workmen, which mark a distinctly new phase in the reform of the social position of the factory workmen. In discussing this topic, the Verein may be said to have returned to its point of departure. In 1890, as in 1872, the great strikes, affecting as they did the entire country, and the endeavors of the workmen to organize in trades-unions, formed the somewhat sombre background to these deliberations. Many of the reforms which had been demanded by the Verein, or had had their origin in its discussions, had been accomplished by legislation; but in one important point, to which attention has already been called, the legislature had been backward, or had entered on measures which many members could not approve. The essential cause of the movement among the workmen does not lie in those of their troubles which arise from sickness, from accident, from old age, from infirmity. The legislation which tries to help them in these cases is helpful, and will prove more helpful as time goes on; but it does not touch the kernel of the labor question, the character of the labor contract. The laborer strives for the practical realization of that position of equality with his employer which the law holds out to him. He strives to secure a distinct influence in determining the conditions under which he puts his life, his body, his health, at the disposal of his employers. He strives to improve his position during the time when he is still in health and fit to work. The means to bring these ends within the grasp of the workmen are either their organization in trades-unions, with laborers' committees for each particular establishment, or else an immediate intervention by the State in the details of his contract with the employer. Opposed to both these methods stands the patriarchal system of complete rule by the individual employer,

managing his business with unhampered authority. The patriarchal system may work well where the employer has a strong feeling of moral responsibility and of duty toward those whom he employs, and it was defended on the part of the employers with warmth and energy at the last meeting of the Verein. But the employers forgot that such a system is tenable only so long as the workmen have not become conscious of interests of their own, opposed to the interests of their employers. Against the employers, Brentano advocated with great warmth the proposal which had appeared at the very first meeting of the Verein, the re-establishment of laborers' organizations, recognized by the State on condition of their taking part in courts of arbitration. Others, however, especially Schmoller, were disposed to admit the truth of the charge of tyranny and terrorism which the employers made against the unions, and urged more moderate measures, suggesting as first steps the formation of workmen's committees, and a greater degree of interference by the State. The bill for protecting workmen which now lies before the Reichstag gives occasion for the practical application of the discussions which took place in the Verein, and so its latest proceedings again come in touch with the questions of the day. The position taken by the Emperor, the expressions of the ministers, make it clear that this will not be the last time that the exchange of opinions which takes place in the Verein will have its influence on social legislation. Its influence on social policy will be a growing one.

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